

OFFICIAL FILE

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

ORIGINAL

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CHIEF CLERK'S OFFICE

CENTRAL ILLINOIS PUBLIC SERVICE :
COMPANY d/b/a AmerenCIPS, :
UNION ELECTRIC COMPANY d/b/a :
AmerenUE, CENTRAL ILLINOIS LIGHT :
COMPANY, COMMONWEALTH EDISON :
COMPANY, ILLINOIS POWER COMPANY, :
MIDAMERICAN ENERGY COMPANY, :
NORTHERN ILLINOIS GAS COMPANY :
d/b/a NICOR GAS COMPANY, :
NORTH SHORE GAS COMPANY, :
and THE PEOPLES GAS LIGHT AND :
COKE COMPANY :

Petition for Permanent Approval of :
An Additional Method To Determine :
When Deposits May Be Required From :
Applicants For Residential Service, :
In Addition To Those Methods Set Forth :
In 83 Ill. Admin. Code § 280.50(a). :

No. 01-0644

VERIFIED JOINT PETITION

Central Illinois Public Service Company d/b/a AmerenCIPS ("AmerenCIPS"), Union Electric Company d/b/a AmerenUE ("AmerenUE"), Central Illinois Light Company ("CILCO"), Commonwealth Edison Company ("ComEd"), Illinois Power Company ("IP"), MidAmerican Energy Company ("MidAmerican"), Northern Illinois Gas Company d/b/a Nicor Gas Company ("Nicor Gas"), North Shore Gas Company ("North Shore"), and The Peoples Gas Light and Coke Company ("Peoples Gas") (collectively "the Companies") hereby petition the Illinois Commerce Commission (the "Commission"), pursuant to § 280.30 of the Illinois Administrative Code (the "Administrative Code"), 83 Ill. Admin. Code § 280.30, for permanent authorization to utilize an additional method for making determinations with respect to when deposits may be required from applicants for residential service, in addition to those specified in 83 Ill. Admin.

Code § 280.50(a). Granting this Petition will permit the Companies to use a risk assessment analysis of the credit history of applicants for residential service in determining whether to require payment of deposits. Using a risk assessment analysis is expected to better identify circumstances where deposits should appropriately be required. The relief requested in this Petition was previously granted by the Commission on a two-year pilot program basis with respect to Nicor Gas in ICC Docket No. 97-0635, which authorization was extended an additional two years in ICC Docket No. 00-0330. In support of this Joint Petition, the Companies state as follows:

1. AmerenCIPS is a corporation organized and existing under the laws of the State of Illinois with its principal office in Springfield, Illinois. AmerenCIPS is a combination gas and electric utility, and is a public utility within the meaning of § 3-105 of The Illinois Public Utilities Act (220 ILCS § 5/3-105), as amended (the "Act"). AmerenCIPS provides electric service to approximately 325,000 customers and gas service to approximately 170,000 customers in the State of Illinois.

2. AmerenUE is a corporation organized and existing under the laws of the State of Missouri with its principal office in St. Louis, Missouri. AmerenUE is a combination gas and electric utility, and is a public utility within the meaning of § 3-105 of the Act. AmerenUE provides electric service to approximately 61,000 customers and gas service to approximately 18,000 customers in the State of Illinois.

3. CILCO is a corporation organized and existing under the laws of the State of Illinois with its principal office in Peoria, Illinois. CILCO is a combination gas and electric utility, and is a public utility within the meaning of § 3-105 of the Act. CILCO provides electric service to approximately 193,000 customers and gas service to approximately 231,000 customers in the State of Illinois.

4. ComEd is a corporation organized and existing under the laws of the State of Illinois with its principal office in Chicago, Illinois. ComEd is engaged in delivering electricity to the public in the northern portion of the State of Illinois, and is a public utility within the meaning of § 3-105 of the Act. ComEd delivers energy to approximately 3.5 million customers in the northern portion of the State of Illinois.

5. IP is a corporation organized and existing under the laws of the State of Illinois with its principal office in Decatur, Illinois. IP is a public utility within the meaning of § 3-105 of the Act and supplies approximately 650,000 natural gas and electricity customers in the State of Illinois.

6. MidAmerican is an Iowa corporation with its principal office in Des Moines, Iowa. MidAmerican is a public utility within the meaning of § 3-105 of the Act and supplies approximately 83,500 electric and 65,500 natural gas customers in the State of Illinois.

7. Nicor Gas is an Illinois corporation with its headquarters located in Naperville, Illinois. Nicor Gas is a public utility within the meaning of § 3-105 of the Act and is engaged in the business of distributing and selling gas to approximately 1.9 million customers in the northern part of the State of Illinois.

8. North Shore Gas is a corporation organized and existing under the laws of the State of Illinois, having its principal office at 130 East Randolph Drive, Chicago, Illinois 60601. It is engaged in the business of purchasing natural gas for, and storing distributing, selling and transporting natural gas to over 149,000 customers within northeastern Cook County and Lake County, Illinois. North Shore Gas is a public utility within the meaning of the Act.

9. Peoples Gas is an Illinois corporation with its general office in Chicago, Illinois. Peoples Gas is a public utility within the meaning of § 3-105 of the Act and is engaged principally in the business of purchasing natural gas for, and storing, distributing, selling and transporting natural gas to approximately 840,000 customers in the City of Chicago.

10. 83 Ill. Admin. Code § 280.50(a) provides that "if, after a review of its own past service records, a utility finds that an applicant for residential service has failed to pay for past due utility service for the same class of service furnished to him/her at the same or at another address, a utility may refuse to provide service, unless the applicant, at the option of the utility, pays any past due bill and/or provides a deposit pursuant to § 280.70 ..." of the Administrative Code. No other grounds for requiring a deposit from an applicant for residential service are provided for in the Act or in the Commission's rules.

11. Section 280.30 of the Administrative Code provides that the Commission may, for good cause shown, approve rules that are different than those provided in Part 280. 83 Ill. Admin. Code § 280.30. For the reasons stated in this Verified Joint Petition, the Companies request that the Commission permanently approve an alternative method for making determinations with respect to when deposits may be required from applicants for residential service, in addition to those set forth in § 280.50(a), and approve the Companies' proposed use of a credit risk assessment method for determining whether to require a deposit from applicants for residential service. No other waivers or changes to Part 280 are requested in this Verified Joint Petition.

12. The Commission has previously granted, on a pilot program basis, the relief requested in this petition. In ICC Docket No. 97-0635, Nicor Gas filed an application requesting that the Commission consent to and approve a waiver of 83 Ill. Admin. Code § 280.50(a) to permit Nicor Gas to conduct a two-year pilot program in which it would be allowed to bill a deposit to certain applicants for gas service based on a risk assessment analysis of their credit history. In that proceeding, the Commission found that “good cause exists to allow a waiver of 83 Ill. Adm. Code 280.50(a) as requested in Nicor Gas’ petition” and granted the requested waiver. ICC Docket No. 97-0635 (Order, April 27, 1998, at 5). Through the pilot program, Nicor Gas determined that using a risk assessment analysis of applicants’ credit history resulted in better identification of the need for a deposit, and allowed Nicor Gas to more promptly and accurately determine the requirement for a deposit prior to initiating service. Nicor Gas’ experience has been that there is a correlation between customers for whom deposits have been required based upon credit scoring, and those who become in arrears with respect to Nicor Gas service. Nicor Gas found that customer acceptance of the pilot program was high, and that the program, to Nicor Gas’ knowledge, did not result in any formal complaints being filed with the Commission.

13. On July 19, 2000 in ICC Docket No. 00-0330, the Commission granted Nicor Gas a two-year extension of its credit scoring pilot program. In extending Nicor Gas’ waiver of §280.50(a) and granting permission for continued use of the credit risk assessment program, the Commission stated that “[w]e also give weight to [the Commission’s] Staff’s lack of objection to the continuation of [the] program and its continuing monitoring of the program.” *Id.* at 2.

14. The Companies believe it would be beneficial to broaden the availability of the credit risk assessment method for deposits on a uniform basis among utilities. Accordingly, Nicor Gas and the other Companies submitting this petition jointly request, on a permanent basis, the same relief granted with respect to Nicor Gas in Docket Nos. 97-0635 and 00-0330. Nicor Gas' experience with the pilot program demonstrates that approving this petition and granting a permanent waiver of § 280.50(a) with respect to applicants for residential service from the Companies is likely to have several benefits. These include improving customer service by using what Nicor Gas has found to be a faster and easier credit screening system, reliance on reputable customer credit data that remains strictly confidential, and application of a consistent and unbiased credit methodology that is widely accepted in modern commerce.

15. All of the evidence to be introduced in this matter is contained in this Joint Verified Petition and the verifications attached hereto.

WHEREFORE, Central Illinois Public Service Company, Union Electric Company, Central Illinois Light Company, Commonwealth Edison Company, Illinois Power Company, MidAmerican Energy Company, Northern Illinois Gas Company, North Shore Gas Company, and The Peoples Gas Light and Coke Company request that the Commission waive hearing in this matter, which it is authorized to do under § 7-102 of the Act, and enter an order:

a. Permanently approving the Companies' request to use an alternative method for making determinations with respect to when deposits may be required from applicants for residential service, in addition to those methods set forth in 83 Ill. Admin. Code § 280.50(a); and

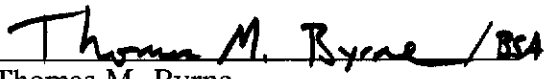
b. Granting approval of the Companies' proposal to, at their option, collect requested deposits from certain residential applicants based upon a risk-assessment analysis of the applicant's credit history.


Dated at Chicago this 15th day of October, 2001.

Respectfully submitted,

CENTRAL ILLINOIS PUBLIC
SERVICE COMPANY d/b/a
AMERENCIPS and UNION
ELECTRIC COMPANY d/b/a
AMERENUE

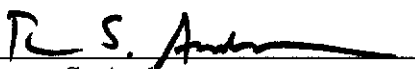
CENTRAL ILLINOIS LIGHT COMPANY



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COMMONWEALTH EDISON
COMPANY

ILLINOIS POWER COMPANY


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THE PEOPLES GAS LIGHT AND COKE
COMPANY

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STATE OF ILLINOIS

COUNTY OF PEORIA

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) ss
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VERIFICATION

I, Robert J. Sprowls, being first duly sworn, state that I am President of CENTRAL ILLINOIS LIGHT COMPANY, that I have read the foregoing Joint Petition, that I am familiar with the facts stated therein, and that to the best of my information and belief, the facts are true and correct.

Robert J. Sprowls
Robert J. Sprowls
President

Subscribed and sworn to before me
this 21st day of September, 2001.

Ana M. Lippert
Notary Public



STATE OF ILLINOIS

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) ss

COUNTY OF COOK


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VERIFICATION

I, John T. Costello, being first duly sworn, state that I am Vice President of COMMONWEALTH EDISON COMPANY, that I have read the foregoing Joint Petition, that I am familiar with the facts stated therein, and that to the best of my information and belief, the facts are true and correct.


John T. Costello
Vice President
Commonwealth Edison Company

Subscribed and sworn to before me
this 21st day of September, 2001.


Notary Public



STATE OF ILLINOIS

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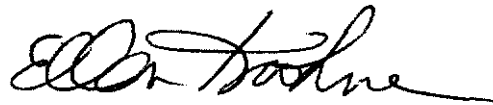
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COUNTY OF Macon

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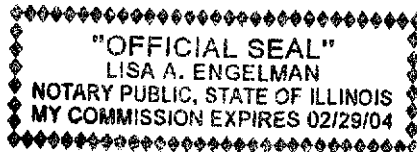
VERIFICATION

I, Ellen Krohne, being first duly sworn, state that I am Vice President, Customer Services of ILLINOIS POWER COMPANY, that I have read the foregoing Joint Petition, that I am familiar with the facts stated therein, and that to the best of my information and belief, the facts are true and correct.



Ellen Krohne
Vice President, Customer Services

Subscribed and sworn to before me
this 5th day of October, 2001.


Notary Public

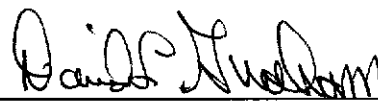
STATE OF ILLINOIS

COUNTY OF Rock Island

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) ss
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VERIFICATION

I, David L. Graham, being first duly sworn, state that I am Vice President of Customer Service Operations of MIDAMERICAN ENERGY COMPANY, that I have read the foregoing Joint Petition, that I am familiar with the facts stated therein, and that to the best of my information and belief, the facts are true and correct.

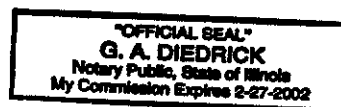


David L. Graham
Vice President of Customer Service
Operations

Subscribed and sworn to before me
this 21 day of September, 2001.



Notary Public



STATE OF ILLINOIS

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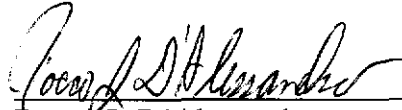
) ss

COUNTY OF DuPage

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VERIFICATION

I, Rocco J. D'Alessandro, being first duly sworn, state that I am Vice President of Customer and Distribution Services of NORTHERN ILLINOIS GAS COMPANY, that I have read the foregoing Joint Petition, that I am familiar with the facts stated therein, and that to the best of my information and belief, the facts are true and correct.


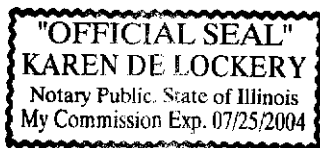


Rocco J. D'Alessandro

Vice President of

Customer and Distribution Services

Subscribed and sworn to before me
this 9th day of ~~September~~ October, 2001.


Notary Public

STATE OF ILLINOIS

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) ss

COUNTY OF COOK

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VERIFICATION

I, Katherine A. Donofrio, being first duly sworn, state that I am a Vice President of THE PEOPLES GAS LIGHT AND COKE COMPANY and NORTH SHORE GAS COMPANY, that I have read the foregoing Joint Petition, that I am familiar with the facts stated therein, and that to the best of my information and belief, the facts are true and correct.

Katherine A. Donofrio
Name: Katherine A. Donofrio
Title: Vice President

Subscribed and sworn to before me
this 27th day of SEPT., 2001.

Loures M. Ceballos
Notary Public

